

# Regional Surveys of Business Activity

## Carolinas Survey of Business Activity

May 25, 2023

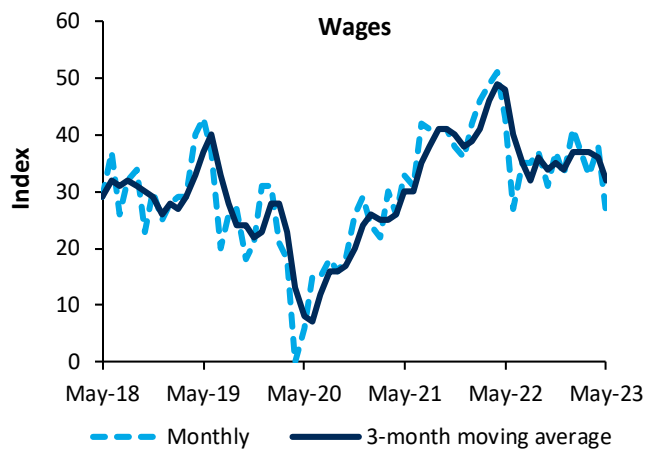
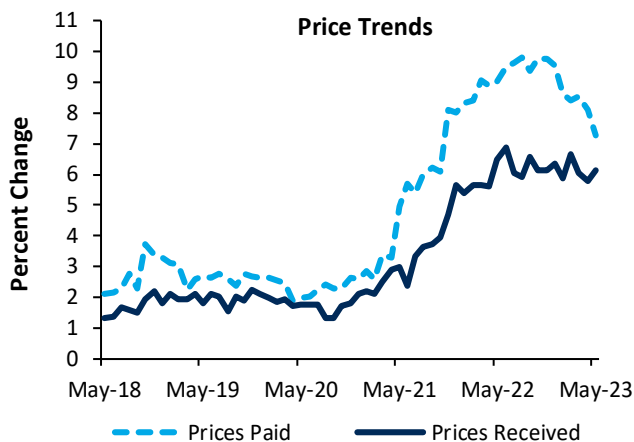
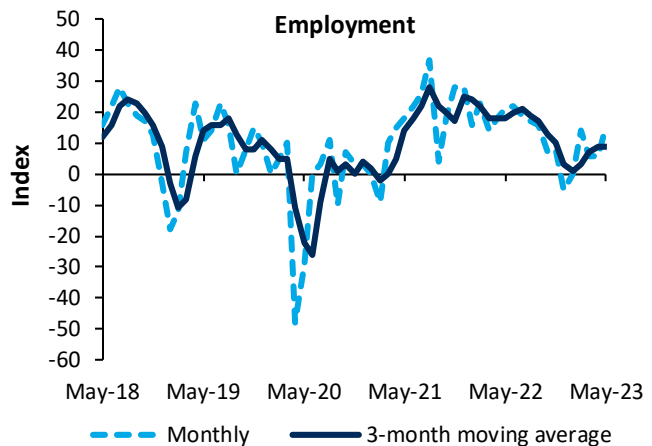
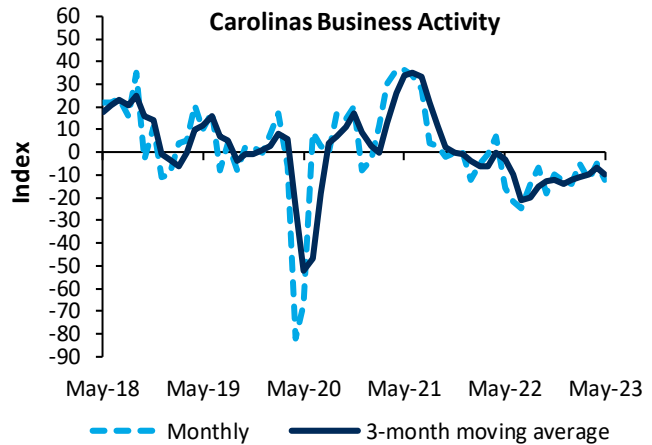
### Business Activity in the Carolinas Softened in May

Firms in the Carolinas reported softened business activity in May, according to the most recent survey from the Federal Reserve Bank of Richmond. The general business conditions index fell from -5 in April to -12 in May. The corresponding expectations index fell notably from 1 to -16.

The sales index declined substantially to -6, as did the index measuring expected sales, which fell to 1. On the other hand, all three spending indexes rose and were positive, with the index for equipment or software expenditures rising the most, from 3 in April to 15 in May.

Survey results suggested that some firms increased employment in May, as the employment index increased to 16. The wages index decreased notably but remained high. Firms expected wages to continue increasing over the near-term and anticipated some improvement in their ability to find workers with the desired skills over the next six months.

The average year-over-year growth in prices paid edged down in May, while the average year-over-year growth in prices received increased slightly. Firms expect price growth to moderate over the next year.



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Business Activity Indexes <sup>1,4</sup>						
Business Conditions in the Carolinas	Current Conditions			Expectations <sup>2</sup>		
	May-23	Apr-23	Mar-23	May-23	Apr-23	Mar-23
General Business Conditions	-12	-5	-12	-16	1	6
Sales	-6	14	-6	1	20	38
<b>Employment</b>						
Number of Employees	16	6	6	13	20	22
Availability of Skills Needed	-2	1	2	8	6	9
Wages	26	38	33	48	44	55
<b>Spending</b>						
Business Services Expenditures	1	-10	-2	-7	-7	0
Total Capital Expenditures	11	4	8	0	18	16
Equipment or Software Expenditures	15	3	9	8	6	15
<b>Price Trends<sup>3</sup></b>						
Prices Paid for Inputs	7.29	8.10	8.53	4.42	4.47	4.63
Prices Received for Outputs	6.13	5.77	6.06	3.24	3.76	3.43

## Technical Notes:

- Each index equals the percentage of responding firms reporting increase minus the percentage reporting decrease. Data are not seasonally adjusted. Results are based on responses from 45-88 firms.
- Expectations refer to the time period six months out from the survey period.
- Current price changes are percentages over the last 12 months. Expected price changes are expected changes over the next 12 months.
- All firms surveyed are located within the states of North Carolina and South Carolina.

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